

STATE OF CONNECTICUT
CONNECTICUT SITING COUNCIL

IN RE: :
: :
APPLICATION OF NTE CONNECTICUT, LLC : DOCKET NO. 470
FOR A CERTIFICATE OF ENVIRONMENTAL : :
COMPATIBILITY AND PUBLIC NEED FOR : :
THE CONSTRUCTION, MAINTENANCE AND : :
OPERATION OF AN ELECTRIC POWER : :
GENERATING FACILITY OFF LAKE ROAD, : :
KILLINGLY, CONNECTICUT : JANUARY 11, 2018

TESTIMONY OF TIMOTHY EVES

Q. PLEASE STATE YOUR NAME, BUSINESS TITLE AND BUSINESS ADDRESS.

A. My name is Timothy Eves. I am a Senior Vice President at NTE Energy. My business address is 24 Cathedral Place, Suite 300, St. Augustine, FL 32084.

Q. WHAT IS YOUR ROLE IN THE PROPOSED KILLINGLY ENERGY CENTER (“KEC”) PROJECT?

A. As Senior Vice President of NTE Energy, and Vice President of NTE Connecticut, LLC, I am responsible for all aspects of planning, development, permitting, and community relations related to the Killingly Energy Center (“KEC”).

Q. PLEASE SUMMARIZE YOUR QUALIFICATIONS.

A. I have been with NTE Energy Since May of 2010 in the role of Senior Vice President – Development. During this time, we have successfully developed two 500 MW gas-fired combined cycle projects, built up a pipeline of development projects, developed a suite a patents on our hybrid renewable technology, and established a successful consulting business. From 2007 to 2010, I held a leadership position with Vercipia, a leader in the development and

commercialization of cellulosic ethanol technology, developing large biomass plantations and facilities. Prior to Vercipia, from 1999 through 2007, I worked in various management roles with Calpine Corporation in the areas of project development and origination. Prior to Calpine, I had a 19 year career with Westinghouse Power Generation working in both domestic and international markets. I hold a Masters of Mechanical Engineering from the University of Detroit, a Masters of Business Administration from Widener University, and a Juris Doctorate from the University of Miami.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. To describe the changes that have taken place related to the KEC project since the Siting Council's May 16, 2017 decision in Siting Council Docket No. 470.

Q. PLEASE IDENTIFY THOSE ISSUES THAT WERE THE SUBJECT OF SETH SHORTLIDGE'S PRE-FILED TESTIMONY DATED FEBRUARY 13, 2017 AND HIS TESTIMONY BEFORE THE SITING COUNCIL ON MARCH 23, 2017 ABOUT WHICH YOU INTEND TO TESTIFY.

A. Mr. Shortlidge appeared before the Council on March 23, 2017 after the Council agreed to reopen the evidentiary proceeding in Docket No. 470 to discuss NTE's participation in the ISO-NE Forward Capacity Auction No. 11 ("FCA 11") and describe why NTE withdrew from FCA 11 in February 2017. In general, Mr. Shortlidge testified that at the time of FCA 11, there remained a substantial number of cost and schedule uncertainties associated with the KEC project. At that time, NTE had not received an air permit from the Connecticut Department of Energy and Environmental Protection ("DEEP"), had not finalized its water supply agreements with the Connecticut Water Company, had not completed negotiations with Eversource (Yankee Gas) for improvements to the gas pipeline that would serve KEC, had not completed the System

Impact Study for interconnection to the electric grid with ISO-NE, had not finalized the Community Environmental Benefits Agreement with the Town of Killingly, had not completed negotiations of the Tax Stabilization Agreement with the Town of Killingly, and had not finalized a Property Valuation Guarantee to protect homeowners within 2500 feet of KEC. Given the cost and schedule implications associated with these incomplete efforts, NTE elected not to continue to pursue a Capacity Supply Obligation in FCA 11 in the final round of the auction.

Q. PLEASE DESCRIBE HOW THE STATUS OF EACH OF THE ISSUES IDENTIFIED BY MR. SHORTLIDGE HAS CHANGED SINCE THE TIME OF HIS PRIOR TESTIMONY.

A. Subsequent to the Council's denial without prejudice, NTE has been working hard to eliminate as many uncertainties as possible. Many of the aforementioned uncertainties regarding the KEC project have been resolved since Mr. Shortlidge's testimony, as follows:

- On June 30, 2017, NTE secured an air permit from DEEP for the KEC project. NTE has since filed for a minor modification of this permit to reflect certain proposed changes to the project, discussed in more detail below.
- On October 17, 2017, NTE entered into an amended contract for natural gas pipeline upgrades with Yankee Gas, thus enabling Yankee Gas to complete detailed design and permitting efforts for the pipeline upgrade and file for its permits.
- NTE has advanced negotiations with Yankee Gas for a natural gas pipeline service contract.
- On October 31, 2017, NTE entered into a Water Supply Agreement with the Connecticut

Water Company (“CWC”).

- On October 31, 2017, NTE entered into two separate Construction Agreements with the CWC through which NTE has committed to pay all costs associated with (i) the installation of a new water service line connecting the KEC parcel to the local CWC system, and (ii) the interconnection of CWC’s Plainfield and Crystal Water Company Systems.
- On January 9, 2018, the Killingly Town Council approved a Tax Stabilization Agreement with NTE.
- On January 9, 2018, the Killingly Town Council approved a Community Environmental Benefits Agreement with NTE.
- NTE has finalized the form of a Property Valuation Guarantee Agreement (“PVG”) and has committed to offer the PVG by March 31, 2018 to residents within 2500 feet of KEC.

Q. DOES NTE INTEND TO PARTICIPATE IN ISO-NE’S FORWARD CAPACITY AUCTION NO. 12 (“FCA 12”)?

A. Yes. On September 29, 2017, after their detailed review of KEC’s financials and development and construction schedule, ISO-NE notified NTE that it was pre-qualified to participate in FCA 12. ISO-NE, in approving a greenfield project for participation in an FCA, reviews the project technology, schedule and financials, and sets a minimum offer price, which is the lowest price a greenfield project can bid into the auction. During their review of KEC for participation in FCA 11, ISO-NE performed this review and provided an approval to participate and set KEC’s minimum offer price. As Mr. Shortlidge stated in his March 23, 2017 testimony, KEC withdrew from FCA 11 at a price higher than its ISO-NE set minimum offer price. ISO-NE’s analysis of KEC’s potential participation in FCA 12 included review of the cost and

schedule uncertainties present at the time of FCA 11. In approving KEC for participation in FCA 12 and setting KEC's minimum offer price, ISO-NE concluded that many of these uncertainties had been resolved, allowing ISO-NE to set the minimum offer price similar to that of FCA 11.

Q. WHAT IMPACT DO THE AFOREMENTIONED CHANGES HAVE ON NTE'S PLANS WITH RESPECT TO THE KEC PROJECT AND ITS OUTLOOK WITH RESPECT TO FCA 12?

A. Each of these changes is significant in that it reduces and in some cases eliminates altogether the uncertainties that Mr. Shortlidge was concerned about during the FCA 11 process, thus increasing the viability of KEC and decreasing the cost risks associated with these uncertainties. As a result of these changes, NTE is confident that it will receive a Capacity Supply Obligation in FCA 12. With or without a Capacity Supply Obligation in hand, KEC provides a public benefit and is necessary for a reliable electric power supply and competitive electricity market in Connecticut and the region (as supported by the attached Pre-Filed Testimony of Paul J. Hibbard).

Q. ARE THERE ANY OTHER CHANGES TO THE KEC PROJECT WHICH THE SITING COUNCIL SHOULD BE AWARE OF AND CONSIDER?

A. Yes.

Q. PLEASE DESCRIBE THESE ADDITIONAL CHANGES?

A. Based on NTE's recent positive experience using Mitsubishi turbine equipment at our facilities in North Carolina and Ohio, and on advancements in Mitsubishi's "J" technology, NTE has decided to replace the Siemen's Model SGT6-8000H combustion turbine generator with the Mitsubishi Model M501JAC combustion turbine generator. Additional benefits of this change

are described in detail in the attached Environmental Overview from Tetra Tech.

Q. PLEASE DESCRIBE WHAT EFFECT THE CHANGE IN TURBINE TECHNOLOGY WILL HAVE ON THE OVERALL DESIGN, OPERATION AND IMPACT OF THE PROJECT?

A. As set forth in more detail in the attached Environmental Overview in Support of Petition for Changed Conditions prepared by Tetra Tech, the new turbine technology will provide the same state-of-the-art efficiency, rapid starts and load following and rapid dual-fuel switching as with the previous technology, while providing an improvement in KEC's emissions profile and site layout. The larger Mitsubishi turbine will allow KEC to rely less upon duct firing than the previous technology, thus resulting in a reduced emissions profile. In addition, utilization of the Mitsubishi turbine allowed NTE to improve the overall layout of the KEC facility, including repositioning certain facility components, relocating the perimeter access road, and eliminating the proposed retaining wall in the northwesterly portion of the site, further addressing certain concerns identified by Council members. This will result in a reduction in the development footprint and an increased setback from the wetland, while maintaining compliance with all noise regulations.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.



By: Timothy Eves
Vice President
NTE Connecticut, LLC